<u>IN THE SPECIFICATION</u>

Please amend the paragraph on page 1, line 25 to page 2, line 4, as follows:

--   The present invention addresses the foregoing need by providing a

heterogeneous layered video decoding system and associated method that uses only

generic MPEG-2/4/AVC decoders to decode an MPEG-2/4/AVC compliant stream. In one

embodiment, this is achieved by utilizing a parameter list to be transmitted along with the

MPEG-2/4/AVC compliant stream that independently defines for each layer, how the

particular layer is to be decoded. The parameter list may define for each layer, values to

determine: (1) whether the particular layer is be scaled up, down or not at all (2) whether

DC ~~compression~~ compensation is to be applied to the layer, (3) the type of stream

(e.g.,MPEG-2/4) that defines the layer, (4) the FIR coefficients, and (5) constant gains in

the sub-band. The parameter values are preferably multiplexed along with the encoded

signal to allow the decoder to interpret the parameter values and decode accordingly.--.

Please amend the paragraph on page 7, line 1:

--   (2) DC ~~compression~~ compensation to be applied (if any) to each layer--.